

State of California

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Legislative Change No. 01-25

Bill Number: AB 44 Author: Wiggins Chapter Number: 01-618

Laws Affecting Franchise Tax Board: Revenue and Taxation Code Sections 17207, 24347.5

Date Filed with the Secretary of the State: October 9, 2001

SUBJECT: Disaster Loss Deduction/ 2000 Napa Earthquake

Assembly Bill 44 (Wiggins), as enacted on October 9, 2001, made the following changes to California law:

Sections 17207 and 24347.5 of the Revenue and Taxation Code are amended.

This act adds the earthquake that occurred in September of 2000 in Napa, California, to the current list of specified disasters in the Personal Income Tax Law (PITL) and the Bank & Corporation Tax Law (B&CTL). Specifically, this act allows special disaster treatment of losses sustained as a result of that earthquake.

This act also conforms excess disaster losses to the net operating loss (NOL) percentages allowed by existing law. The increased NOLs would apply to disaster losses incurred during or after September 2000.

This act is effective immediately upon chaptering as an urgency statute and by its terms, applies to disaster losses sustained during or after September 2000.

This act will not require any reports by the department to the Legislature.

Bureau Director

Brian Putler

Date

October 12, 2001